

AGENDA ITEM VI B

PROPOSED ACADEMIC/RESEARCH CENTER

REQUEST FOR CONDITIONAL APPROVAL

LSU AGRICULTURAL CENTER

LOUISIANA CENTER FOR RURAL INITIATIVES

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BACKGROUND INFORMATION

The Board of Regents' Guidelines: Proposed Centers, Institutes, and Other Similar Academic/Research Units provide two different review procedures for proposed new academic/research units, depending on the projected source of funding. *For proposed units designed to oversee emerging research programs which anticipate the availability of non-state support*, the Regents will consider a proposal for a one-year period of *conditional approval*, prior to submittal of a full proposal. The LSU Agricultural Center (AgCenter) requests conditional approval for the proposed Center.

1. Description

The proposed Louisiana Center for Rural Initiatives (LCRI) is designed to organize and focus applied research and outreach efforts of the AgCenter, thereby making the unit better able to compete for external funding needed to address areas of critical state needs.

a. Purpose

1. To foster and coordinate critical interdisciplinary rural development research and communication among rural development faculty across the LSU campus and the state. LCRI will provide institutional support in the form of clerical, technological and grant writing assistance for the core faculty and implementation team.
2. To work in conjunction with the newly established Center for Natural Resources and Economic Policy, the Louisiana Forest Products Development Center and the Agricultural Trade Policy Institute (still in development).
3. To facilitate Louisiana's participation in multi-state research and outreach projects.

b. Participants

The *core faculty* will consist of faculty within Louisiana's land grant universities (LSU A&M, LSU Ag, and SUBR). The *implementation team* consists of area agents belonging to the LSU AgCenter's Community Economic Development (CED) Team, who are located throughout the state in the eight AgCenter regions. LCRI *collaborators* can include rural development and/or social science professionals from other universities and colleges, government agencies, foundations and other non-governmental organizations.

The proposal indicates eight LSU/LSU Ag faculty will participate in the LCRI. These faculty are associated with departments of Extension Service, Agricultural Economics, Home Economics and Political Science. In addition, a recently signed cooperative endeavor agreement between LSU AgCenter and the Southern University Agricultural Research and Extension Center (SUAREC) identifies six SUAREC faculty who will participate in LCRI activities.

c. Research

Current or planned research addresses the following areas:

- Entrepreneurship and Value Added Enterprise Development
- Rural Economic Development Strategies
- Natural Resource Based Development
- Determination of Rural Land Market in Louisiana
- Human Capital and Rural Development
- Social Capital, Civic Engagement and Rural Development
- Establishment of a Series of On-Line Data of Rural Conditions and Trends
- Assessment of the Impact of Policy Changes on Low Income Families in Rural Areas
- Study of the Distribution of Public Funding to the Elderly and its Relation to those in Rural Areas
- Use of Information Technology to Improve the Quality of Life in Rural Louisiana

2. Need

The AgCenter indicates that LCRI has been developed as an organizational unit in order to promote faculty interaction and research efforts. The establishment of a cohesive yet interdisciplinary research approach into rural economic issues and possible solutions will facilitate focusing existing funds on rural initiatives as well as resulting in more effective competition for external grant awards.

Establishment of the LCRI was supported by a similar unit at LA Tech University, the Center for Rural Development. A letter from its Director stated that "the presence of the Board of Regents authorized Center at LA Tech has greatly facilitated Tech's ability to engage in interdisciplinary

rural development outreach programs and research by providing a focal point for these efforts both on campus and in the community.” The letter further indicates that faculty at Tech’s Center are already working with LSU faculty projected to associate with the AgCenter’s LCRI. Despite their employment with different university systems, the two groups are “collaborating on two federal grants and have worked together on numerous community outreach projects ranging from workforce development to value-added agriculture.” The existing inter-system cooperative approach would only be strengthened by approval of the proposed LCRI.

3. Administrative Structure

LCRI will be housed in the Department of Agricultural Economics and Agribusiness at LSU A&M as the Director is a faculty member of that department. The Director (who is a joint appointee of the LSU A&M and LSU AgCenter) will report to the Chancellor of the LSU AgCenter. Other core faculty and the implementation team will continue to report to their respective department heads and unit directors at LSU and SU. LCRI is not expected to affect the present administrative structure of either the LSU or SU campus.

4. Budget

Anticipated costs for the first two years of LCRI are shown below. Initial funding will be provided by the AgCenter. LCRI will recover some of its expenses by operating as a cost center for some public and community services. The AgCenter is determining which services will be offered and at what rates. Faculty are looking at similar services offered in other states and how researchers are compensated for services.

Estimated costs	Year 1	Year 2
Equipment	\$12,500	\$5,000
Supplies & Materials	5,000	5,250
Operating Services	5,000	5,250
Personnel	55,000	57,750
Fringe Benefits	14,850	15,593
Travel (Director)	10,000	10,500
TOTAL	\$ 102,350	\$ 99,343

a. Explanation of Expenses

Personnel costs will recur annually and include:

\$10,000 for compensation for the director for administrative duties
\$15,000 for a Graduate Assistant for data management + analysis as well

as technical and website assistance
\$30,00 for an accounting grade position (see below)

Needed equipment should have been fully acquired and/or upgraded by the end of Year Two. Supplies and operating expenses are expected to recur. The accounting position will be a new position that will initially be shared with the Center for Natural Resource Economics Policy at the AgCenter. As extramural funding increases, a dedicated position for LCRI is anticipated.

Financial personnel at the AgCenter have indicated that no existing unit will be deprived in order to support the proposed LCRI.

b. External Funding Prospects

A new funding approach is currently being implemented by the AgCenter. Grant proposals from LSU AgCenter faculty are submitted, awarded and processed through the AgCenter. As of August of each year, 25% of the indirect cost returns of extramural funding will be made available to the Principal Investigator; an additional 25% of the indirect cost will be awarded to the unit leader. Accounts are established within the home departments from which the proposals are generated. The new policy encourages faculty to submit proposals through the LCRI because:

- i. faculty benefit from increased visibility associated with an applied research and outreach center;
- ii. faculty will have the opportunity to work in a rigorous interdisciplinary and collaborative setting; and
- iii. funding for rural development research and outreach will be concentrated within the Center, a process that will create efficiencies and economies of scale.

STAFF SUMMARY

General Comments

The proposed Louisiana Center for Rural Initiatives is appropriate to the role, scope and mission of the LSU Agricultural Center. Research plans for this center are also consistent with institutional role, scope, and mission. Projected interdisciplinary and inter-institutional collaboration is commendable. The proposed LCRI should increase the recognition of Louisiana's land grant universities in rural development efforts.

The LSU AgCenter has indicated that it will support the Center for two years, as shown in the budget, using existing state funding. After this initial period, it is anticipated that LCRI will be supported by external funds. As evidence of this likelihood, the proposal notes that over the past five years, core faculty have written grant proposals requesting almost \$5 million and obtained nearly \$2 million in external support. Given recent success rates in securing external funds, the

AgCenter believes the lack of a coordinating authority may be part of the reason for these outcomes.

Some Concerns

This emerging Center is still defining specific opportunities for focused research and outreach activities, which is not unusual for a new Center. However, a two-year period of conditional approval before these definitions are required is imprudent. In addition, while the AgCenter promises two years of full budgetary support, this level of commitment is probably unrealistic, given current and impending cuts in state funding to higher education. For these reasons, the staff deems it prudent for the Academic and Student Affairs committee to grant only one year of conditional approval at this time. The proposal for full approval or a request documenting reasons for an extension of the period of conditional approval should be due in one year.

STAFF RECOMMENDATION

The staff recommends that the Academic and Student Affairs Committee grant one year conditional approval for the Louisiana Center for Rural Initiatives at the LSU Agricultural Center, effective immediately. As required by Board of Regents Academic Affairs Guidelines: Proposed New Centers, Institutes, and Other Academic/Research Units, the LSU Agricultural Center shall submit to the Commissioner of Higher Education a proposal for full approval of LCRI by January 1, 2006. In particular, this proposal shall address the following concerns:

Specific research efforts/projects

Sources and amounts of revenues, grants, and services

Contingency funding plans

If neither a proposal as described above nor a request documenting reasons for an extension of the period of conditional approval is forthcoming by this date, the ongoing need for LCRI shall be reexamined.